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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

IN RE APPLICATION OF :

SANFORD M. STEVENSON :

Art Unit 1724

SERIAL NO.: 09/652,272 :

Examiner: P. Hruskoci

FILED: September 17, 2001 :

FOR: METHOD FOR REMOVING  
METAL COMPOUNDS FROM  
WASTE WATER

Assistant Commissioner for Patents  
Washington, DC 20231

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TC 1700

**RESPONSE TO PETITION TO INSTITUTE PUBLIC USE PROCEEDING  
PURSUANT TO 37 C.F.R. § 1.292 AND  
PUBLIC PROTEST PURSUANT TO 37 C.F.R. § 1.291**

**Introduction**

Petitioner alleges that it filed the instant petitions pursuant to 37 C.F.R. §§ 1.292 and 1.291. In fact, Petitioner failed to file these Petitions under 37 C.F.R. §§ 1.292 and 1.291, because it was filed after the Notice of Allowance issued. Specifically, 37 C.F.R. §§ 1.292 and 1.291, require that for such petitions to be considered, they must be filed "prior to the date the application was published or the mailing of a notice of allowance under 37 C.F.R. § 1.311, whichever occurs first." Accordingly, these Petitions should be dismissed as untimely.

Even if the petition is not dismissed as untimely, it should be dismissed for the following reasons.

References to numerical exhibits herein should be understood to mean the exhibits

attached to the Petition under 37 C.F.R. § 1.292.

### **Second Prong of Pfaff and Alleged Public Use**

The respondent herein, offers the following in response to the Petitioner's contentions. Notably, the basis of the Petitioner's contentions with respect to both the public use and on-sale bar lies with the reduction to practice of U.S. Patent No. 5,370,800 (hereafter the "'800 Patent"). [800 Patent, Ex. 1] The '800 Patent, includes as part of Claim 1, the removal of copper. The present application, however, relates exclusively to the removal of copper. Petitioner alleges that the evidence submitted supports a *prima facie* showing that the '800 Patent, and therefore the instant application, were reduced to practice for the removal of copper more than a year prior to the instant application, a continuation of the '800 Patent's application, filed on May 25, 1993.

The instant Petitioner has been sued by the applicant and respondent herein in the Court of Federal Claims for infringement of the '800 Patent and another patent, U.S. Patent No. 4,749,497 to Kanzleiter, et al (hereafter the "'497 Patent"). [Ex. 13]. The evidence presented and made part of the record in a Markman hearing and validity trial establish that the invention claimed by the granted application belatedly attacked by petitioner was not reduced to practice for the removal of copper until August of 1992, less than a year prior to the instant application. Petitioner has not, and can not, produce any evidence to contradict this reality. Accordingly, the public use and on-sale bars which Petitioner urges invalidates the instant application, do not apply.

The evidence adduced in the Court of Claims establishes that prior to July or August

of 1992, applicant had not removed copper from a waste stream utilizing the method disclosed in either the '800 Patent or the instant granted application. [Ex. 2, Trial. Tr. 435:7-440:12; Ex. 3] It is further established that Mr. Stevenson, the patentee, engaged in significant experimentation in July and August of 1992, in order to reduce to practice his process as to the removal of copper. ***Chemical Separation Technology, Inc., v. U.S.***, 45 Fed. Cl. 513 (1999); [Ex. 2,3]

These facts contrast starkly with the Petitioner's representation that the Federal Court of Claims ruled that Mr. Stevenson's use was not experimental. The specific holding of the Federal Court of Claims is that the offer for sale was not an offer for an experimental process. The Court of Claims specifically held, however, that material issues of fact existed, precluding the entry of summary judgement, as to whether the invention was reduced to practice or remained experimental, prior to May 1993. ***Chemical Separation Technology, Inc., v. U.S.***, 45 Fed. Cl. 513, Fn. 10 (1999). Petitioner's interpretation to the contrary is clearly incorrect. The Court noted in its opinion that "it is unclear from the record how critical the polymer chemistry was to the success of the patented method and, if critical, when that chemistry was patentable." The Court further noted, "Moreover, a material dispute exists as to whether the work done by Mr. Stevenson in the weeks leading up to August 5, 1992, was experimentation going to the core of the patent or merely fine tuning." On the basis of these holdings, the Court denied the instant Petitioner's Motion for Summary Judgement.

In its opinion with respect to the '800 Patent, the Federal Court of Claims found the following facts to be established.

1. U.S. Patent No. 5,379,800 (the '800 Patent) was applied for on May 25, 1993, and granted on December 6, 1994;
2. On April 14, 1992, CST made a formal offer of sale of a waste water treatment facility using the PIT System to Summitville Consolidated Mining company (Summitville), to remove copper from waste water produced at its gold mine in Summitville, Colorado;
3. The offer was accepted on April 24, 1992, and a purchase order was signed by an agent of Summitville on May 5, 1992;
4. Following installation of the PIT System at Summitville, on August 31, 1992, Penny McPherson, the environmental manager at Summitville Mine, wrote to the United States Department of Natural Resources and the Colorado Department of Health and advised them that a number of different polymers were utilized, that some were not compatible, and that it took some time to find polymer that was compatible with the PIT System.

***C ST v. U.S.***, 45 Fed. Cl. 513 (1999)

Petitioner misinterprets the court's findings and contends that the instant application, like the '800 Patent, was ready for patenting prior to the critical dates for the public use and on-sale bars. In essence, Petitioner's arguments are a house of cards founded upon a misunderstanding of the Court of Claims' holding with respect to the '800 Patent. For this reason, Petitioner has utterly failed to set forth a prima facie showing of public use, or application of the on-sale bar.

Nothing in the prior art, prior commercial offer, or alleged public use shows that copper was removed such that the instant application was invalidated by such alleged prior art, public use or offer for sale. Instead, Petitioner attempts to confuse the issue by discussing non-ferrous metals and analogizing to copper. Petitioner has not, and cannot, point to any evidence which shows that copper, the metal of concern in the instant granted application, was removed prior to the critical date. Accordingly, Petitioner has failed to make out a prima facie showing that there was a public use, or sale of the invention

claimed in the present application it attempts to attack.

Indeed, Dr. Roth, Mr. Stevenson's trial expert, testified that prior to actually removing copper from a waste stream utilizing the method ultimately disclosed in the '800 Patent, it would not have been predictable with confidence to one skilled in the art that the entire process, the complete invention, would work for copper. [Ex. 4, Trial Tr. Pg. 609: 11-18] It was uncontradicted at trial that it would not have been predictable with confidence to one skilled at the art that utilization of the method disclosed by the '800 Patent would adequately treat a waste stream whose primary constituent is copper. Dr. Roth testified upon cross examination:

Q: Dr. Roth, in your opinion, prior to actually removing copper from a waste stream with the method and apparatus of the 800 Patent, one skilled in the art would not have been able to predict with confidence that the invention claimed in - inventions claimed in the 800 Patent would be able to remove copper. Is that right?

A: That is correct. There was no - I found no evidence in the literature to support that it would.

[Ex. 4]

Petitioner did not provide any evidence at trial to contradict this statement. Indeed, Petitioner attempted to discredit Dr. Roth by arguing that as a general matter, copper can be precipitated from a waste stream by mere adjustment of pH. However, Defendant fails to acknowledge that the '800 Patent, and the present application at issue, discloses more than the mere adjustment of pH. They also disclose oxidation and agitation, with the additional steps of flocculation accomplished with cationic and anionic polymers. Dr. Roth's testimony establishes that the '800 Patent, as claimed, was not reduced to practice until Mr. Stevenson had actually installed the PITS, and removed copper, which occurred

no earlier than July of 1992, two full months after the critical date of May 25, 1992.

In order for a chemical process such as the method of the granted application at issue to be patentable, the inventor has to reduce the method to practice to achieve a sufficient degree of predictability to determine if the invention would work for its intended purpose. **National Chemical Corp. v. Wright**, 458 F. Supp. 828, 839, 192 USPQ 95, 105 (M.D. Fla. 1976), *affd* 584 F.2d 714, 200 USPQ 257 (5<sup>th</sup> Cir. 1978).

The holding in **Pfaff v. Wells Electronics, Inc.**, 525 U.S. \_\_\_, 142 L. Ed. 3d 261, 119 S. Ct. 304, 48 USPQ 2d 1641 (1998) continues to recognize the experimental exception to the on sale bar to patentability. **Pfaff**, at 311.

As it would not have been predictable to one skilled in the art that copper, as a primary constituent of a waste stream, could be removed effectively by utilizing the method disclosed in the granted application, until Mr. Stevenson achieved that result in August of 1992, his invention was not reduced to practice, and is therefore not invalid under the public use or on-sale bar.

Accordingly, Petitioner has failed to offer any evidence that the method of the present application, was reduced to practice prior to May 25, 1992.

It is also noted that Dr. Roth's opinion is corroborated by Power Engineers, a company that purchased CST and reviewed, under terms of confidentiality, the experimental process in use in Pennsylvania. In its technology review of the '497 Patent and related processes existing as of May 1990, which had only removed iron and minor amounts of manganese, Power acknowledged:

One area of concern is the fact that the existing operating systems have been used to remove only iron and manganese from waste streams. Although it is probable that removal of other heavy metals would occur, to determine actual removal efficiencies would require application of the CST systems to waste streams bearing other heavy metal constituents.

[Ex. 4, p. 3]

Further comments concerning the above are in Paragraph 7 of applicant's declaration [Ex. 16]. In particular, these comments may primarily apply to the '497 patent.

It was not until July or August 1992 that the process to remove copper was reduced to practice.

Prior to actually removing copper from a waste stream, the invention ultimately claimed in the present application was neither reduced to practice, nor ready for patenting. Because removal of copper using this process was not reasonably predictable, prior to actually removing copper, applicant could not have claimed the removal of copper because he could not have know if the process was enabled, and had utility, both of which are required for grant of a patent. In order for a chemical process such as the method of the '800 Patent to be patentable, the inventor has to reduce the method to practice to achieve a sufficient degree of predictability to determine if the invention would work for its intended purpose. **National Chemical Corp. v. Wright**, 458 F. Supp. 828, 839, 192 USPQ 95, 105 (M.D. Fla. 1976), *affd* 584 F.2d 714, 200 USPQ 257 (5th Cir. 1978); see also **In re Borkowski**, 422 F.2d 904 (CCPA 1970) (a claim on an oxygenation process for hydrocarbons was held invalid. One major species of hydrocarbons had been tested and the results of that test were disclosed in the patent. Because, however, another major species of hydrocarbons was not tested as disclosed, the claim was held invalid for undue

breadth.)

“Obvious to try” has consistently been rejected as an appropriate test of obviousness. ***Uniroyal, Inc. v. Rudkin-Wiley Corp.***, 837 F.2d 1044, 5 USPQ 2d 1434 (Fed. Cir. 1988) cert. denied, 488 U.S. 825 (1988), on remand, 13 USPQ 2d 1172 (D. Conn. 1989); ***In re Geiger***, 815 F.2d 686, 2 USPQ 2d 1276 (Fed. Cir. 1987). ***N.V. Akzo v. E.I. DuPont de Nemours & Co.***, 810 F.2d 1148 USPQ 2d 1704 (Fed. Cir. 1987); ***Novo Industri Als v. Travenal Industries, Inc.***, 677 F.2d 1202, 215 USPQ 412 (7<sup>th</sup> Cir 1982); ***In re Dien***, 371 F.2d 886, 152 USPQ 550 (CCPA 1967).

“Courts have long disfavored the argument that an infringed patent represented no advance over prior art. Obviousness must be established by consideration of the prior art, as well as the claimed invention as a whole. The reference must do more than suggest that an innovation ‘ought to be tried,’ or is obvious in hindsight; it must directly suggest the desirability of the new combination.” ***Polaroid Corp. Eastman Kodak Co.***, 641 F. Supp 828, 853, 288 USPQ 305, 324 (D. Mass. 1985) affd 789 F.2d OJ6, 229 561 (Fed. Cir. 1986), cert denied, 479 U.S. 850 (1986).

Accordingly, the ‘800 Patent and the present application, both of which claim copper removal, were not reduced to practice until July or August of 1992, two months subsequent to the public use and on-sale bar date.

Petitioner contends that the Keystone Plant, which only removed predominantly iron and minor amounts of manganese and aluminum from a waste stream, was successfully used prior to the critical date, and therefore, amounts to a reduction to practice and public use of the granted application at issue prior to the critical date. Petitioner also identifies



a business plan used internally and correspondence by applicant to support its' contention that copper was removed prior to the critical date.

With respect to the first contention, even assuming the Keystone Plant was publicly used, Petitioner fails to acknowledge that the invention claimed in the present application which Petitioner belatedly attacks teaches a method for removing copper. The Keystone Plant can not inherently be the same method as the present application, because it was never used to remove copper. The Keystone Plant only removed iron along with manganese and aluminum, which is not the subject of claim 7. Because it was not known prior to actual reduction to practice if the process would work for copper, the Keystone Plant can not literally or inherently anticipate the granted application. ***Scaletech Inc., v. Retec/Tetra, L.L.C.***, 178 F.3d 1378, 1384 51 USPQ 2d 1055, 1058 (Fed. Cir. 1999).

Accordingly, the Keystone Plant can not constitute a public use of the granted application because it is not the complete invention disclosed by the granted application. A "public use" for the purpose of barring access to the patent system is a use more than a year before the patent filing date, whereby a completed invention is used in public, without restriction and in circumstances other than "substantially for the purposes of experiment." ***Allied Colloids Inc., v. American Cyanamid Co.***, 64 F.3d 1570, 1574 (Fed. Cir. 1995).

Equally important, however, is the fact that the use of the Keystone Plant was not a "public use" but was experimental in nature as evidenced by the contracts with Pennsylvania Electric. [Ex. 6] As stated in ***Smith & Griggs Mfg. Co., v. Sprague***, 123 U.S. 249, 256, 31 L.Ed. 141 8 S. Ct. 122 (1887):

A “public use” for the purpose of barring access to the patent system is a use more than one year before the patent filing date, whereby a completed invention is used in public, without restriction and in circumstances other than “substantially for the purposes of experiment”.

The record in the trial before the Federal Court of Claims established that when anyone viewed the Keystone Plant operated by Chemical Separation Technology (CST), they were under a confidentiality agreement. [Ex. 7 page 56, lines 23-25, page 57, line 1, November 13, 2000], that when they viewed the apparatus that was ultimately disclosed in the ‘800 Patent, all elements with the exception for the ‘497 Patent reactor and the caustic tank were enclosed within a building and hidden from view. [Ex. 8 page 105, lines 17-20]; that the experimental de-watering apparatus at the Keystone Plant was enclosed within a secure building and hidden from sight. [Ex. 9 page 344 lines 19-25, page 345, lines 1-6, and page 392, lines 7-8]; that the contract that CST had with Penelec at the Keystone Plant was a research and development contract. [Ex. 11 page 393, lines 18-25, page 394, lines 1-14, and page 395, lines 11-15 November 6, 2000 transcript. Also see exhibit 5]; and that the work on the de-watering apparatus at the Keystone Plant was experimental, and considered by CST to be their laboratory where they would experiment and develop what was ultimately disclosed in the ‘800 Patent [Ex. 12 page 394, lines 10-14 November 16, 2000].

In ***Allied Colloids Inc., v. American Cyanamid Co.***, 64 F.3d 1570, 1574;

35 U.S.P.Q. 2D (BNA) 1840 (Fed. Cir. 1995) the Federal Circuit held as follows:

The law recognizes that the inventor may test the invention, in public if that is reasonably appropriate to the invention, without incurring a public use bar. ***In City of Elizabeth v. American Nicholson Pavement Co.***, 97 U.S. 126, 24 L.Ed. 1000 (1878) (distinguishing “public use or sale”) the Court wrote:

When the subject of the invention is a machine, it may be tested and tried in a building, either with or without closed doors. In either case, such use is not a public use, within the meaning of the statute, so long as the inventor engaged, in good faith, in testing its operation. He may see cause to alter and improve it, or not. His experiments will reveal the fact whether any and what alterations may be necessary. 97 U.S. at 134 - 135.

The evidence establishes that CST and Mr. Stevenson were engaged in experimentation throughout their work at the Keystone Plant. The contract between Pennelec and CST memorializes this fact. [Ex. 5 Joint Exhibit 66]. The site was remote, secure, and those who viewed the site did so under terms of confidentiality. Most importantly the invention that was ultimately disclosed in the '800 Patent and the present granted application was never reduced to practice until some months subsequent to the bar date when Mr. Stevenson successfully installed the PITS at Summitville, and actually removed copper.

With respect to Petitioner's reliance upon its Exhibits B, E, F, and G, Petitioner did not disclose the following and applicant wishes to make the facts clear.

With respect to Exhibit B, it is a letter memorializing the effluent quality sought to be achieved at the Summitville mine site by Summitville Consolidated Mining Company.

Exhibit E, again, is a letter memorializing the water quality sought to be treated by CST's treatment process.

Exhibit, F, again, is a letter memorializing desired metal recovery from the site.

Exhibits, B, E, and F, do not establish that copper was removed prior to the critical date. Rather, they demonstrate that copper was sought to be removed.

It was on the basis of these documents, offered by Petitioner in the Court of Claims

in support of its motion for summary judgement which the Court denied, that the court concluded that the **OFFER** was a commercial offer rather than an offer of an experimental process. Because no proof was shown that the process had ever removed copper prior to the critical date, material issues of fact existed with respect to when the invention claimed in the '800 Patent, and therefore the present application, was reduced to practice. Petitioner's representation that these exhibits demonstrate that the invention claimed in the present application was reduced to practice prior to the critical date is, therefore, incorrect.

With respect to Exhibit G, Petitioner's attempt to characterize the Business Plan as proof that the process was reduced to practice is also misguided. First the business plan speaks of removal of copper as a "trace metal", not as a primary constituent of concern [Petitioner's Exhibit G, page 17]. Secondly, the Business Plan was a prospectus, with forward looking statements, that was shared only under terms of confidentiality. [Petitioner's Exhibit G, page 5]. Ultimately, as corroborated by the actual treatment summary on page 17 of Exhibit G, Petitioner can not, and has not, offered any evidence to show that the granted application was reduced to practice prior to the critical date because it can not show that it actually removed copper.

In ***City of Elizabeth v. the American Nicholson Pavement Co.*** 97 U.S. 126, 24 L.Ed. 1000 (1877) a patent on pavement for roads, the Patentee (Nicholson) had laid down 75 feet of the pavement on a toll road that was open to the public but owned by a company of which he was a shareholder and officer. The road was used constantly for the six year period prior to Nicholson's application for a patent. Nicholson constructed the road to test its durability under the stress of heavily loaded wagons, constant use, and general weather

conditions and he regularly inspected the road. The pavement was put down at Nicholson's expense. The court held as follows that such an experimental use to test the invention's qualities was not a "public use" within the meaning of the statute even though it was a use in public.

"That the use of the pavement in question was public in one sense cannot be disputed. But can it be said that the invention was in public use? The use of an invention by the inventor himself, or of any other person under his direction by way of an experiment, and in order to bring the invention to perfection, has never been regarded as such a use."

In ***Pfaff v. Wells Electronics Inc.*** 119 S. Ct. 304, 310, 48 USPQ 2d 1641,

1645 (1998) the Court cited ***City of Elizabeth*** and noted as follows:

"[A]n inventor who seeks to perfect his discovery may conduct extensive testing without losing his right to obtain a patent for his invention - even if such testing occurs in the public eye. The law has long recognized the distinction between inventions put to experimental use and product sold commercially."

In ***Manville Sales Corp. v. Paramount Systems, Inc.*** 917 F.2d 544, 16 USPQ 2d 1587 (Fed. Cir. 1990) the patent related to a self-centering luminaire assembly for traveling up and down poles such as tall out door lighting fixtures. Manville, who was the assignee obtained a subcontract to supply a lighting pole at a Wyoming highway rest stop. It installed a pole which failed. It then developed a self-centering luminaire design with "iris" guide arms. The design was installed on a test-pole at Manville's research center. It then obtained permission to substitute the new design at the rest stop. It then sent the official a drawing, which contained a confidentiality notice. It then installed the device. It then applied his new design to poles so that the iris design could be included. Manville approved the iris arms for commercial use and then verified that the iris arm worked even

after the severe Wyoming winter.

Wyoming officials inspected the arm and approved payment and within a year of such approval Manville filed a patent application on the invention. The Federal Circuit affirmed the district court's finding of no public use bar.

"[M]anville's actions are entirely consistent with the policy "favoring prompt and widespread disclosure of inventions. This iris arm device was specifically designed to withstand year around weather. Prior to its testing in the winter environment, there really was no basis for confidence by the inventor that the invention would perform as intended, and hence no proven intention to disclose. **See Gould Inc. v. United States**, 579 F.2d 571, 583, 198 USPQ 156, 167 (Ct. Cl. 1978) (period of experimental use continues until after the inventor "conducts tests needed to convince himself that he invention is capable of performing its intended purpose in its intended environment"). The Evidence indicates, moreover, that once the outdoor tests were complete, and the invention was found to work as intended, Manville acted within the statutorily prescribed period in disclosing the invention, once tested, to the public" USPQ 2d Ct. 1592.

In **Allied Colloids Inc. v. American Cyanamid Co.**, it was held that on a patent on polymer sewage treatment compositions and methods, that experimental use at a potential customer's facility were necessary because "the biological nature of sewage varies "and the results of laboratory testing did not guarantee the same result with testing in sites."

In **Seal-Flex, Inc. v. Athletic Track and Court Construction** 98 F.3d 1318, 1323, 40 USPQ 2d 1450, 1453 (Fed. Cir. 1996) further appeal 172 F.3d 836, 50 USPQ 3d 1225 (Fed. Cir. 1999) a period of over a year was allowed as experimental use for a patentee to determine if a running track would perform under actual conditions of weather and use. The Federal Circuit also restated as follows factors to be considered as follows:

In **Baker Oil Tools, Inc. v. Geo Vann, Inc.**, 828 F.2d 1558, 1564, 4 USPQ2d 1210, 1214 (Fed. Cir. 1987), the court summarized various criteria that may be relevant to the determination of whether an invention had been completed and shown to work for its intended purpose at the time of a possible public use or on sale event.

These criteria include the facts of whether the tests or evaluation that were conducted were reasonably needed to demonstrate the efficacy of the invention; the length of the evaluation period in relation to the nature of the invention; whether testing was systematically performed; whether the evaluation was done by or on behalf of the inventor; whether records were kept; whether payment was received; and other circumstances that illuminate the nature of the activity engaged in before the critical date."

### **THE INGLIS REFERENCE**

The present invention is neither taught or suggested by U.S. Patent No. 4,652,381 Inglis (hereafter "Inglis").

1. The present invention is not anticipated by Inglis.

There is absolutely nothing in Inglis which teaches the process ranges recited in claim 7.

Agitating the waste water, where steps (a) (b) and (c) are carried out simultaneously in a reaction tank where waste water is aerated in said reaction tank to provide a dissolved oxygen concentration at from about 0.01 lb./hr. to about 70 lbs./hr. at a waste water input flow rate of from about 50 gal./min. To about 500 gal./min. for a copper metals concentration of from about 50 mg./l. To about 1,000 mg./l.

In fact, Petitioner completely misinterprets the Court's construction of similar language in the '800 Patent. The court's holding, in context, certainly does not support Petitioner's position that this language was not intended as a limitation on the patent. The entire pertinent portion of this holding reads as follows.

The next portion of Claim 1 to be construed involves that portion of Claim 1 stating, "Aerated and said reaction tank to provide a dissolved oxygen concentration at from about 0.01 pounds per hour to about 70 pounds hour." I also want to construe in conjunction with that portion of Claim 1 that deals with "about 50 gallons per minute to about 500 gallons per minute and about 50 milligrams per liter to about 1,000

milligrams per liter.”

Based upon the consideration of the language, based upon the expert testimony in particular, and so this is one in which I am relying on extrinsic evidence, I determined that this refers to a rate of aeration, and that the limitations -- excuse me -- that the ranges expressed in terms of “50 gallons per minute to about 500 gallons per minute and about 50 milligrams per liter to about 1,000 milligrams per liter” are not intended as limitations on the patent. (emphasis added).

In other words, it was determined that this language defined aeration rates for any particular flow rates, not that it defined no limitations at all.

2. The present invention is not obvious in view of Inglis.

Inglis teaches away from the method of the present invention in several important respects. For example, Inglis teaches the use of a second treatment tank (50) while in the method of the present invention aeration, agitation and neutralization take place in a single vessel. The preferred embodiment of Inglis discloses is a batch process while the method of the present invention is a continuous process. Inglis appears to be a relatively slow process, e.g. treatment tank 50 is preferably allowed to settle for 20 hours, while the method of the present invention is designed to be particularly fast. It is also pointed out that applicant's expert, Dr. Roth, testified that he calculated that to treat 500 gallons per minute of waste water with the Inglis system that it would be necessary to use an approximately 760,000 gallon treatment tank [Ex. 15, Trial. Tr. 584: 15 - 21]. Thus, the Inglis method teaches toward the use of a large, cumbersome and unwieldy water treatment unit which is entirely away from the results obtained with the method of the present invention.



## FIRST PRONG OF PFAFF

### 1. Introduction

Although the cited Court of Claims opinion concluded that the defendants burden had been met with regard to the first prong of **Pfaff** (but not with respect to the second prong), Applicant respectfully requests that this conclusion be reconsidered in view of a number of recent decisions of the court of Appeals for the Federal Circuit. Although Applicant believes that it is not necessary to reach the first prong of **Pfaff** because the standards of the second prong of **Pfaff** have not been met. Applicant requests, however, the right to supplement the following with further related evidence and arguments should the same be necessary in the future

### 2. Group One Ltd. v. Hallmark Cards, Inc.

First, at the time of the court's decision, the issue of the nature of the type of offer required by the first prong of **Pfaff** was still open. See, for example, Katherine Kelly, Cases and Recent Developments /Patents, 8 Fed. Cir. B.J. 57, 74 (1999). ("Still open for debate is whether the 'subject of a commercial offer for sale' prong of **Pfaff** will be interpreted as requiring an offer of specific contractual terms, or whether it will be applied more broadly.")

This question has now been answered by the Federal Circuit to require such an offer to contain specific contractual terms. In **Group One Ltd. v. Hallmark Cards, Inc.** 254 F.3d 1041, 59 USPQ 2d 1121, 1126 (Fed. Cir. 2001) the first prong of **Pfaff** as follows was further interpreted as follows.

"Only an offer which rises to the level of a commercial offer for sale, one which the other party could make into a binding contract by simple acceptance (assuming consideration), constitutes an offer for sale under § 102(b)."

The Restatement of Contracts, 2d §33(1) provides as follows.

"Even though a manifestation of intention is intended to be understood as an offer, it cannot be accepted so as to form a contract unless the terms of the contract are reasonably certain."

Although the Uniform Commercial Code departs from the strictness of the common law by allowing an open price, it does not permit the court to read into a contract the price for a product that was not known and was not provided for by the contract and for which there is no evidence of any basis for determining a price. ***Coca-Cola Bottling Co. v. Coca-Cola Co.***, 988 F.2d 387 (3d Cir, 1993), cert denied 126 L. Ed 239, 114 S. Ct. 289

In view of the above, the applicant believes that the letter of April 14, 1992 constituted only preliminary negotiations because, terms which would ordinarily be considered material, such as overall price for a unique, non-fungible product, were not included. Subsequently the purchase order contained a specific request for "plans and specifications". Applicant believes that such "plans" included a drawing of June 22, 1992 which was sent to the buyer. An offer which "the other party could make into a binding acceptance by simple acceptance" was not made, if at all, until June 22, 1992. As stated above, applicant request leave to supplement the above with additional evidence and arguments should the same be necessary.

### 3. Accuscan, Inc. v. Xerox Corporation

In ***Accuscan, Inc. v. Xerox Corporation***, 2001 U.S. App. Lexis 11534, -24 (Fed. Cir. 2001) (copy attached), it was held that the subject of a commercial offer for sale must be something within the scope of the claim of the patent.

In this opinion the Federal Circuit cited its prior decision in **Scaltech v. Retec/Tetra L.L.C.**, 178 F.3d 1378, 1983, 51 USPQ 2d 1055, 1058 (Fed. Cir. 1999) a factual situation was considered which was similar to that of the present application.

In this case Scaltech was presented by a customer with a problem related to an inefficiency in process for producing petroleum coke which involved the introduction of a hydrocarbon feed stream. One of Scaltec's employee conceptualized that oils in the fluid stream might be plugging the coke pores in the coking units, thus causing the inefficiency. Scaltech sought access to a coker unit to test this theory in which solids contents in the waste stream would be controlled. It proposed trying this process to a number of refineries, but the proposal contained nothing concerning particle size or solids concentration. Scaltech subsequently obtained a patent in which the claims had a number of specific process limitations, i.e. a liquid stream with 5 - 35% by weight solids, less than 6% by weight organics with a particle size distribution such that there was more than 70% by weight having a particle size less than 15 microns.

Under these circumstances the Federal Circuit held that the first prong of **Pfaff** must be based on an offer for sale of a process within the scope of the patent claims. That is, the process which was being sold, would have had to contemplate the process conditions at the time of the offer. Part of the Federal Circuit's opinion is as follows.

"The "invention" which has been offered for sale must, of course, be something within the scope of the claim. **See Graver Tank & Mfg. Co. v. Linde Air Prods. Co.**, 339 U.S. 605, 607 [85 USPQ 328] (1950) (a claim in a patent provides the metes and bounds of the right which the patent confers on the patentee to exclude others from making, using, or selling the protected invention). Hence, the first determination in the § 102 (b) analysis must be whether the subject of the barring activity met each of the limitations of the claim, and thus was an embodiment of the

claimed invention. In this case, claim 6, set forth above, is the broadest claim. It specifically requires that the "delayed coker quench stream [contain] ... about 5 to about 35% by weight solids ... less than about 6% by weight mobile organics [and the solids] ... having a particle size distribution such that greater than about 70% of the total solids volume comprises solids having a particle size of less than about 15 microns." The record does not indicate whether an embodiment of the claimed invention was offered for sale. The district court did not address whether the process that was offered in the 30 March 1998 proposal to chevron or the 15 November 1988 proposal to Champlin would necessarily have satisfied the claim limitations relating to small particle size and high solids concentration.

We note that there is no requirement that the offer specifically identify these limitations. *See, e.g., RCA Corp. v. Data General Corp.*, 887 F.2d 1056, 1060, 12 USPQ2d 1449 (Fed. Cir. 1989); *Sonoscan, Inc. v. Sonotek, Inc.*, 936 F.2d 1261, 1263, 19 USPQ2d 1156, 1158 (Fed. Cir. 1991). Nor is there a requirement that Scaltech must have recognized the significance of these limitations at the time of offer. *See Titanium Metals Corp. v. Banner*, 778 F.2d 775, 780, 227 USPQ 773, 777-78 (Fed. Cir. 1985); *Verdegaal Bros., Inc. v. Union Oil Co.*, 814 F.2d 628, 633, 2 USPQ2d 1051, 1054 (Fed. Cir. 1987). If the process that was offered for sale inherently possessed each of the claim limitation, then the process was on sale, whether or not the seller recognized that his process possessed the claimed characteristics. *See In re King*, 801 F.2d 1324, 1326, 231 USPQ 136, 138 (Fed. Cir. 1986).

Inherency may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient to establish inherence. *See Continental Can Co. v. Monsanto Co.* 948 F.2d 1264, 1269, 20 USPQ2d 1746, 1749 (Fed. Cir. 1991). However, if the natural result flowing from the operation of the process offered for sale would necessarily result in achievement of each of the claim limitations, then claimed invention was offered for sale. *See id.*

The district court must determine if the process offered for sale, in its normal use, inherently satisfies each claim limitation. If so, then the offer creates a §102 (b) bar. The district court did not perform this analysis. Therefore, we vacate the district court's holding and remand for a determination as to whether the process on sale inherently satisfies each claim limitation. 47 USPQ 2d at 1052 - 1053 (emphasis added).

Referring to the applicant's Declaration [Ex. 16], it is quite clear that method recited in claim 7 which also included specific process conditions is not inherent in the use of the apparatus contemplated by the alleged offer of sale. Such apparatus can be operated so

that the rate of aeration and other process conditions are either inside these process conditions or outside of these process conditions. Certainly the method would not invariably be inside these range of process conditions.

With regard to inherence it was held in ***Gubelmann v. Gang***, 408 F.2d 758, 766, 161 USPQ 216, 222 (CCPA 1969)...it is not sufficient that a person following might obtain the result set forth in the [claim]; it must invariably happen." In fact, at the time of the alleged offer for sale, applicant states in his Declaration that he had no idea of what process conditions because he was for the first time dealing with a predominantly copper contaminated stream and the treatment site was at an elevation of over 11,000 feet.


**CONCLUSION AND, IN THE ALTERNATIVE, PETITION FOR SUSPENSION  
OF ACTION UNDER 37 C.F.R. § 103 (a)**

For the above reasons, applicant contends that the Petitions under 37 CFR §§ 1.292 and 1.291 should be dismissed.

In the alternative, if these Petitions under 37 CFR §§ 1.292 and 1.291 are not dismissed, applicant requests that action on the present application be suspended under 37 CFR § 103 (a) until the conclusion of his litigation. The reason for this request is that applicant is an independent inventor and only limited resources to devote to this application. The cost of a duplication of fact finding on matters which may already have been addressed in applicant's litigation would be burdensome or would be a hardship for applicant. A check for the \$130.00 fee due for this petition under 37 CFR § 1.17 (h) is enclosed.

Respectfully submitted,

SAND & SEBOLT

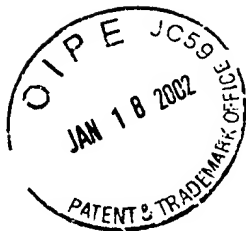
  
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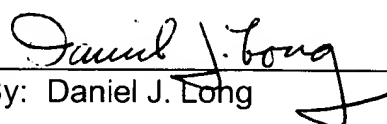
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**CERTIFICATE OF SERVICE**

In accordance with 37 CFR § 1.292 (a)(4) this response is being served by first class mail on Susan L. Christenberry, Esq. and Louis A. Tarasi, Jr., Esq. on November 9, 2001.

  
By: Daniel J. Long

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